

ORIGINAL

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

U.S. DISTRICT COURT  
NORTHERN DIST. OF TX  
FILED

2018 APR 26 PM 3:15

DEPUTY CLERK

UNITED STATES OF AMERICA

NO.

v.

GARY RONALD MORRIS

**8-18CR-222-S**

**FACTUAL RESUME**

In support of Gary Ronald Morris' plea of guilty to the offense in Count One of the Information, Morris, the defendant, John Michael Helms, Jr. the defendant's attorney, and the United States of America (the government) stipulate and agree to the following:

**ELEMENTS OF THE OFFENSE**

To prove the offense alleged in Count One of the Information, charging a violation of 18 U.S.C. §1343, that is, Wire Fraud, the government must prove each of the following elements beyond a reasonable doubt:<sup>1</sup>

- First:* That the defendant knowingly devised or intended to devise a scheme to defraud, using false emails to deceive investors, as charged in Count One of the Information;
- Second:* That the scheme to defraud employed false material representations;
- Third:* That the defendant caused to be transmitted by way of wire communications, in interstate commerce, any writing, sign, or signal for the purpose of executing such scheme; and
- Fourth:* That the defendant acted with a specific intent to defraud.

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<sup>1</sup> Fifth Circuit Pattern Jury Instruction 2.57 (5th Cir. 2015)

**STIPULATED FACTS**

1. On or about March 22, 2016, in the Dallas Division of the Northern District of Texas, and elsewhere, defendant Gary Ronald Morris, for the purpose of carrying out and executing the scheme to defraud described above, and attempting to do so, did knowingly and with the intent to defraud, caused to be transmitted by means of wire communications in interstate commerce, certain writings, signs, signals, and sounds by using computers located in the Northern District of Texas, and causing electronic interstate email communications in and through the Northern District of Texas to be transmitted to aol.com computer servers located outside the state of Texas, namely, in an internet email communication using aol.com from Morris to an investor, namely, Morris sent a false email to an investor which falsely represented that Morris's employees were engaged in ongoing activity and discussions with Federal Express employees about the development of a cargo scanner. Morris prepared and sent this false email with the expectation that this false email would be forwarded to other investors as part of the scheme to defraud investors.

2. During the period from at least in or about 2008 through in or about 2016, defendant Gary Ronald Morris, devised and intended to devise a scheme to defraud several investors, and to obtain money and property from these investors by means of materially false and fraudulent pretenses, representations, and promises. It was a part of the scheme to defraud that during the period from at least 2008 to 2016, defendant Morris made and caused to be made a series of false representations to investors in order to conceal from investors the true state of the business of Greystone Digital Technologies.

Morris deceived investors in order to hopefully avoid demands of refunds or possible lawsuits from investors. Morris made false representations directly to one or more investors and made false representations to a third party agent who represented investors.

3. It was a further part of the scheme and artifice to defraud that Morris made several false representations in emails sent to investors. During the course of the scheme to defraud investors, Morris caused emails to be sent to investors which contained the following false statements: falsely represented that a term sheet existed which reflected that LH Financial would invest in Greystone in an amount greater than LH Financial actually agreed to invest; falsely represented that Greystone was physically onsite and working at the Federal Express (FedEx) facility in Memphis, Tennessee on the cargo scanner project; falsely represented that certain individuals were working with Greystone employees on the cargo scanner project at the FedEx facilities in Memphis, Tennessee; and falsely represented that the American Science & Engineering had its scanners on site at FedEx's facilities in Memphis.

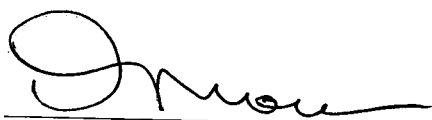
4. Morris made false statements to investors for the purpose of carrying out and executing the scheme to defraud detailed above, and attempting to and attempting to do so, did knowingly and with the intent to defraud, caused to be transmitted by means of wire communications in interstate commerce, certain writings, signs, signals, and sounds by using computers located in the Northern District of Texas, and causing electronic interstate email communications in and through the Northern District of Texas to be transmitted to aol.com computer servers located outside the state of Texas.

5. As a result of this scheme, defendant Morris was able to continue the


business without demands made for return of investor capital or the risk of investor lawsuits.

6. The defendant agrees that the defendant committed all the essential elements of the offense. This factual resume is not intended to be a complete accounting of all the facts and events related to the offense charged in this case. The limited purpose of this statement of facts is to demonstrate that a factual basis exists to support the defendant's guilty plea to Count One of the Information.

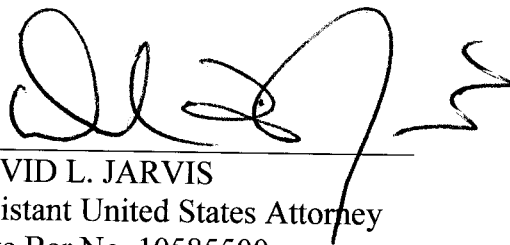
AGREED TO AND STIPULATED on this 25<sup>th</sup> day of April, 2018.



GARY RONALD MORRIS  
Defendant

  
JOHN MICHAEL HELMS, JR.  
Attorney for Defendant

ERIN NEALY COX  
UNITED STATES ATTORNEY



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